

HFA Preferred Risk Sharing™

Combine with Start Up, MCC (with First Mortgage) or Step Up programs



Product Description

Fannie Mae's conventional HFA Preferred Risk Sharing™ product allows a 97% loan-to-value (LTV) ratio with **no mortgage insurance** coverage requirement. This product must be layered with Minnesota Housing's [Start Up](#), [MCC \(with First Mortgage\)](#) or [Step Up](#) programs and the more restrictive product terms listed on this Product Description apply.

PARAMETERS	REQUIREMENTS	
Eligible Minnesota Housing Program(s)	<ul style="list-style-type: none"> Start Up Step Up 	<ul style="list-style-type: none"> MCC (with First Mortgage)
Loan Terms	<ul style="list-style-type: none"> Purchase Refinance option with Step Up Fixed-rate 	<ul style="list-style-type: none"> Fully-amortizing mortgages 30-year term
Mortgage Insurance	Not required	
Eligible Property Types	<ul style="list-style-type: none"> Single-family Approved condos 	<ul style="list-style-type: none"> Planned unit developments (PUD)
Ineligible Property Types	No manufactured housing, co-ops or community land trusts (CLT)	
Eligible Occupancy	Owner-occupied	
Ownership of Property	Borrower may not have an ownership interest in any other residential dwelling at the time of closing. (A manufactured home, regardless of the type of property ownership, is considered a residential dwelling for this purpose. Ownership in a timeshare is not.)	
Income Requirements	Minnesota Housing's Start Up/MCC/Step Up income limits	
Minimum Credit Score	680	
Maximum Debt-to-Income (DTI) Ratio	45%	
Minimum LTV/CLTV	Greater than 80%	
Maximum LTV/CLTV	97% / 105%	
Desktop Underwriter® (DU®)	<ul style="list-style-type: none"> HFA Preferred Risk Sharing™ is available through DU® using the "Additional Data" screen; select "HFA Preferred Risk Sharing." DU® must recommend "Approve/Eligible" DU® recommendation "Refer with Caution" not eligible 	
Loan Prospector® (LP®)	Not available through LP® for loans delivered to the Servicer May 1, 2014 and later.	
Manual Underwriting	Not allowed	
Minimum Borrower Contribution	<ul style="list-style-type: none"> One-unit: \$1,000 or 1% of the purchase price, whichever is less, if receiving Minnesota Housing DPA (Two-unit: 3%) 	
Downpayment and Closing Cost Loans	<ul style="list-style-type: none"> Community Seconds® Start Up loans: Monthly Payment Loan, Deferred Payment Loan, Deferred Payment Loan Plus Step Up loans: Monthly Payment Loan 	
servicer	None	
Maximum Seller Contributions/Interested Party Contributions	<ul style="list-style-type: none"> 3% max for LTV/CLTV greater than 90%) 6% max for LTV/CLTV less than or equal to 90% 	
Homebuyer Education	Required of at least one borrower, if <u>all</u> borrowers are first-time homebuyers.	
Special Feature Code (SFC)	Use SFC 001 and SFC 820 to identify HFA Preferred Risk Sharing™ loans	
Underwriting Guidelines	Unless otherwise stated in this Product Description or a U.S. Bank MRBP bulletin, refer to Fannie Mae's underlying product guidelines.	
Conventional Loan Delivery Fees	Zero LLPA (Loan Level Price Adjustment)	

